

United States Department of the Interior

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In Reply To:

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March 16, 2004

EMAIL TRANSMISSION - 3/16/04
Instruction Memorandum No. MT-2004-044
Expires: 9/30/05

To: State Management Team

From: State Director

Subject: New Requirements for Oil and Gas Leasing Processes - WO IM No. 2004-110

This memorandum discusses changes to some of our leasing processes stemming from WO IM No. 2004-110 (Attachment 1). This WO IM replaces all discussion pertaining to oil and gas leasing contained in WO IM 2001-191 (Attachment 2).

All Field Offices and Field Stations are expected to follow their respective approved land use plans in offering for competitive leasing lands in nominated parcels and presale offers. It is now a requirement that a determination to defer leasing or not to lease in an area opened to leasing in current land use plans must be made by the State Director with appropriate input from the affected Field Manager. If this decision is made, we must provide a response to the nominator or offeror, stating:

- the reasons that a parcel is not offered;
- the factors considered in reaching that decision;
- an approximate date when analysis of new information bearing on the leasing decision is anticipated to be made; and/or
- the completion date of a plan amendment or revision.

In addition, the State Office is required to notify WO-300 in writing when the decision is made to postpone a tract nominated for oil and gas leasing that would delay offering the tract for a period of 1 year or would lead to its not being offered at all. Information found in the table in WO IM No. 2004-110 will be required with the initial submission due on April 1, 2004.

In order to comply with this new requirement, we revised our oil and gas parcel review worksheet (Attachment 3) to incorporate the new information required by the WO IM. Please begin using the new format immediately. Recommendations to defer leasing must include the information mentioned above. Note the change to the worksheet requiring that the Field Managers, with one exception, sign all worksheets that include a recommendation not to lease or defer leasing all or portions of a parcel in areas open to leasing under existing land use plans.

The one exception is those parcels affected by special wildlife stipulations where we agreed through protest resolutions to suspend leasing until completion of Resource Management Plan (RMP) revisions or amendments. Please refer to IM No. MT 89-108 (Attachment 4). Several areas are affected by this exception including the Headwaters RMP and the Judith-Valley-Phillips RMP. Recommendations to defer leasing in RMPs determined adequate for leasing, such as the West HiLine RMP, must be submitted with the full justification required by the WO IM 2004-110.

Leasing recommendations or decisions to defer leasing must still be provided to the State Office within 30 days from date of receipt of the request via a Parcel Review Worksheet. Due dates are identified at the top of the worksheet. Please refer to WO IM No. 2004-110 for further information.

If you have any questions, please contact John Bown at (406) 896-5109.

Signed by: Martin C. Ott

Authenticated by: Kathy Ray (MT922)

4 Attachments

- 1-WO IM No. 2004-110 (8 pp)
- 2-WO IM No. 2001-191 (3 pp)
- 3-Revised Oil and Gas Lease Parcel Review Worksheet (1 p)
- 4-WO IM No. 89-108 (1 p)

Distribution (w/attms.)

Asst. Field Manager, Glasgow Field Station

Asst. Field Manager, Havre Field Station